Case 1b

# **Revenue Requirement Comparison**

#### 2007 Rate Case

**Under Ameren ownership** 

### Under Dynegy ownership

Rate Base wo/ transa Net change due to st			310	end of 2006		
	New Rate	Base =	1,910			
<u>% (</u>	of RBase	Rate				<u>%</u>
Equity	55%	10.5%				Equity
Debt	45%	6.0%				Debt*
Tax Rate = 3	9.75%					Tax Rate =
Return on Rate E	Base =	8.5%	162			Return on Rate
In	terest Tax Sa	avings =	(20)			Ir
After-Tax R	eturn Require	ement =	141			After-Tax R
		EBIT =	235			
Add-ba	ack excess in	terest =	9			Add-b
To	otal EBIT Red	quired =	244			Т
Depreciation & Amor	tization		90		[	Depreciation & Amo
Acquisition Adjustme		ion	17			Acquisition Adjustme
		D&A =	107		_	
	EE	BITDA =	351			
O&M and G&A Expe	nse		310		(	D&M and G&A Expe
<u>Synergies</u>			(13)			Synergies .
	Net	: O&M =	297			
	Gross N	/largin =	648			
Purch	ased Power	+ Gas =	887			Purch
	Revenue Re		1,534		_	Total

	Rate	Base =	1,600	at end of 2006
<u>% of</u> Equity Debt*	RBase 50% 50%	Rate 10.5% 7.0%		
Tax Rate = 39	.75%			
Return on Rate Ba Inte	ase = erest Tax Sa	8.8% avings =	140 (22)	
After-Tax Re	turn Requir	ement =	118	
Add boo	ck excess ir	EBIT =	195	
	quired =	101 296		
Depreciation & Amorti Acquisition Adjustmen		<u>on</u> D&A =	90 - 90	
	E	BITDA =	386	
O&M and G&A Expen Synergies	se		310	
<u>= , </u>	Net	: O&M =	310	
	Gross N	/largin =	696	
Purcha	sed Power	+ Gas =	942	
Total R	evenue Re	quired =	1,638	]

Case 2b

# **Revenue Requirement Comparison**

#### 2007 Rate Case

**Under Ameren ownership** 

## Under Dynegy ownership

Rate Base wo/ transact Net change due to ste	1,600 310	at end of 2006		
ivet change due to ste				
	New Rate	Base =	1,910	
<u>% of</u>	RBase	<u>Rate</u>		
Equity	55%	10.5%		
Debt	45%	6.0%		
Tax Rate = 39	.75%			
Return on Rate Ba	ase =	8.5%	162	
Inte	erest Tax Sa	vings =	(20)	
After-Tax Re	turn Require	ement =	141	
EBIT =			235	
Add-back excess interest =			9	
Tot	al EBIT Red	quired =	244	
Depreciation & Amorti	zation		90	
Acquisition Adjustmen		on	17	
		D&A =	107	
	EB	BITDA =	351	
O&M and G&A Expense			310	
<u>Synergies</u>				
<del></del>	Net O&M =		297	
	Gross M	1argin =	648	
Purcha	sed Power -	+ Gas =	887	
Ŧ D	evenue Red	and and	1,534	1

	Rate	Base =	1,600	at end of 2006
% of Equity Debt*	RBase 50% 50%	Rate 11.5% 7.9%		
Tax Rate = 39.	75%			
	Return on Rate Base = 9.7% Interest Tax Savings =			
After-Tax Ret	urn Require	ment =	130	
	E	EBIT =	216	
Add-bacl		94		
Tota	uired =	310		
Depreciation & Amortiz  Acquisition Adjustment	on	90		
		D&A =	90	
	ЕВ	ITDA =	400	
O&M and G&A Expens	se		310	
<u>Synergies</u>	Net	O&M =	310	
	Gross Margin =		710	
Purchas	ed Power +	Gas =	942	
Total Re	evenue Req	uired =	1,652	]

# **Revenue Requirement Comparison**

#### 2007 Rate Case

### Under Ameren ownership

Rate Base wo/ transact Net change due to step	1,600 310	at end of 2006			
	New Rate Base =				
	<u>RBase</u>	Rate			
Equity	55%	10.5%			
Debt	45%	6.0%			
Tax Rate = 39.7	75%				
Return on Rate Bas	Return on Rate Base = 8.5%				
Inter	est Tax Sa	avings =	(20)		
After-Tax Retu	ırn Requir	ement =	141		
Add book	EBIT =  Add-back excess interest =				
	9 244				
Tota	Total EBIT Required =				
Depreciation & Amortiza	ation		90		
Acquisition Adjustment	Acquisition Adjustment Amortization				
	107				
	EBITDA =				
O&M and G&A Expense	e		310		
Synergies	-		(13)		
	Net	: O&M =	297		
	Gross N	/largin =	648		
Purchase	Purchased Power + Gas =				
Total Re	1,534	1			

## Case 3b

### **Under Dynegy ownership**

	Rate	Base =	1,600 at e	nd of 2006	
<u>% of F</u> Equity Debt*	RBase 50% 50%	Rate 12.5% 8.8%			
Tax Rate = 39.	75%				
	Return on Rate Base = 10.7% Interest Tax Savings =				
After-Tax Retu	ırn Require	ment =	142		
		EBIT =	236 87		
	Add-back excess interest =				
lota	I EBIT Req	uired =	323		
Depreciation & Amortiz			90		
Acquisition Adjustment	Acquisition Adjustment Amortization  D&A =				
		DAA =	90		
	EB	ITDA =	413		
O&M and G&A Expens Synergies	е	_	310 <u>-</u>		
	Net	O&M =	310		
	Gross M	argin =	723		
Purchas	ed Power +	Gas =	942		
Total Re	venue Req	uired =	1,665		